

Christopher Canter

From: Fred Miri [mirif@gallatinriver.com]
Sent: Thursday, September 07, 2006 12:59 PM
To: Stephen Murray; 'jsm@thlglaw.com'
Cc: Mike Skrivan; David Rudd-GR; 'Michael Shuler'
Subject: RE: Bitwise ICA edits
Follow Up Flag: Follow up
Flag Status: Red

All,

First, when I met with Mr. Schuler many months ago he had a problem. The problem was that the then current ICA did not have a rate in his ICA that satisfied his business needs. I urged him to quickly complete negotiations for the new ICA which would give him the rates he needed. His immediate problem was that he had four customers that he signed up for service and needed to get them in. I reluctantly agreed that for those four T1s that we would put them in at the tariff rate, but once the ICA was signed and approved we would adjust them back to when they were installed and issue a credit for the difference between the current rate and what the rate will be in the new ICA. Until that happened all billing was to be paid and not withheld. I also told him, because he asked, that we would not make that arrangement going forward and that he would have to pay the prevailing rates until the ICA was signed. We would however once the ICA was signed and pending an order from Bitwise convert those circuits to the new rate in the ICA. There would however be no adjustment on anything but the original three (the fourth one was cancelled by Bitwise). We feel we have been overly generous to enable Bitwise to get those first three customers in knowing that they would eventually get the credit on those three circuits. Mr Shuler was also aware because he and I spoke that he understood that any circuits ordered after that would be at the prevailing rate. Bitwise disputes were denied based on what I am sharing with you here. Disputes were denied in writing and we can produce copies if needed. The new rates are not put into the billing system until an ICA is approved.

We fail to understand that given more time than the other two carriers that have already signed why we still don't have an agreement with Bitwise. We have acted in good faith and have even extended the time for negotiations, but I expect that we need an agreement within the next few days. If Bitwise will just pay the amounts that we feel are no longer in dispute we will be glad to remove the hold on ordering and provisioning. We do not like having to take these actions, but if we are not paid for services provided we do not have a business.

Fred Miri

-----Original Message-----

From: Stephen Murray
Sent: Wednesday, September 06, 2006 8:15 PM
To: jsm@thlglaw.com
Cc: 'Fred Miri'; skrivanm@madisonriver.net; 'David Rudd-GR'; 'Michael Shuler'
Subject: RE: Bitwise ICA edits
Importance: High

First, I was not aware that he had been "placed on freeze"; I do know that he is behind, but I do not have the specifics. So, I will need to check with the Company President to determine what is going on and since I just now opened this message at 9:10 PM, I will have to wait until tomorrow morning at 8 AM central...

1. So, I need to check on why he is, if he is, on freeze.
2. I will need to determine if we have or have not responded to Mike regarding the disputed amounts
3. I do not know what DS-1s are involved...

6/22/2007

Jonathan, I will investigate and respond, forthwith...I have no desire to delay and/or derail things anymore than you...

Stephen V. Murray
Director, Regulatory Affairs
Madison River Communications, LLC
103 So. 5th Street
Mebane, NC 27302
919-563-8109
murrays@madisonriver.net

-----Original Message-----

From: Jonathan S. Marashlian [mailto:jsm@thlglaw.com]
Sent: Wednesday, September 06, 2006 8:42 PM
To: 'Stephen Murray'
Cc: 'Fred Miri'; skrivanm@madisonriver.net; 'David Rudd--GR'; 'Michael Shuler'
Subject: RE: Bitwise ICA edits
Importance: High

Steve -

I understand Gallatin has placed a freeze on Bitwise based on allegations of unpaid past due balance. According to my client, all non-disputed charges have been paid and his account is current. There are charges which my client has formally disputed pursuant to the procedures set forth in its currently effective ICA. These disputes have neither been denied nor responded to. Therefore, Gallatin has absolutely no authorization under contract to suspend or freeze services and it is currently in breach of the ICA. More to the point, the disputed charges pertain to DS-1 charges for which you and I have previously reached an accord. Why now is Gallatin backing off our agreement?

Before we even consider signing the replacement ICA on Friday this situation MUST be cleared up and Bitwise's account MUST be released and the disputed charges resolved in my client's favor pursuant to the agreement we reached earlier this summer when our negotiations were first initiated.

This type of unconscionable and intentional frustration with my client's ability to compete on a level playing field will not be tolerated. I will call you in the morning to ensure this matter is promptly resolved.

Regards,
Jonathan

From: Stephen Murray [mailto:murrays@madisonriver.net]
Sent: Wednesday, September 06, 2006 6:22 PM
To: js@thlglaw.com
Cc: 'Fred Miri'; skrivanm@madisonriver.net; 'David Rudd--GR'
Subject: RE: Bitwise ICA edits

My comments below in Italics; thanks for the prompt response..

Stephen V. Murray
Director, Regulatory Affairs
Madison River Communications, LLC

6/22/2007